

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.

**Financial Statements as of June 30, 2013 and 2012
and for the Years Then Ended
and Independent Auditors' Report
and Supplemental Information**

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS AS OF JUNE 30, 2013 AND 2012 AND FOR THE YEARS THEN ENDED:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards	18
OTHER INDEPENDENT AUDITORS' REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with Office of Management and Budget (OMB) Circular A-133	22
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	25
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	26
SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)	
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	28
SCHEDULE 1 General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	33

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.

TABLE OF CONTENTS, (continued)

SCHEDULES REQUIRED BY STATE LAW

(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA), (continued)

SCHEDULE 2

Education Levels of Public School Staff 34

SCHEDULE 3

Number and Type of Public Schools 35

SCHEDULE 4

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers 36

SCHEDULE 5

Public School Staff Data 37

SCHEDULE 6

Class Size Characteristics 38

SCHEDULE 7

Louisiana Educational Assessment Program (LEAP) 39

SCHEDULE 8

Graduation Exit Exam (GEE) 40

SCHEDULE 9

The iLEAP Tests 41



Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Warren Easton Senior High School Foundation, Inc. (the School) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warren Easton Senior High School Foundation, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Louisiana Revised Statute 24:514, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2013, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Silva Gurtner & Albney, LLC

New Orleans, Louisiana
September 25, 2013

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2013 AND 2012

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,433,948	\$ 9,521,183
Restricted cash	165,132	142,284
Grants receivable	442,436	1,109,304
Miscellaneous receivables	54,306	13,279
Inventory	7,740	7,022
Prepaid expenses	226,510	4,520
Total current assets	11,330,072	10,797,592
 PROPERTY AND EQUIPMENT, net	 548,110	 568,779
 TOTAL ASSETS	 \$ 11,878,182	 \$ 11,366,371
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 358,119	\$ 309,733
Total current liabilities	358,119	309,733
 NET ASSETS		
Unrestricted		
Undesignated	9,241,702	8,965,425
Board designated	1,710,558	1,710,558
Temporarily restricted	567,803	380,655
Total net assets	11,520,063	11,056,638
 TOTAL LIABILITIES AND NET ASSETS	 \$ 11,878,182	 \$ 11,366,371

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 22,215	\$ 380,943	\$ 403,158
Grants			
Federal	811,430	-	811,430
State	17,282	-	17,282
Local Minimum Foundation Program	3,898,080	-	3,898,080
State Minimum Foundation Program	3,891,581	-	3,891,581
Other	7,673	-	7,673
Student activity fees	403,691	327,333	731,024
Interest income	1,464	-	1,464
Other revenues	107,135	-	107,135
Net assets released from restrictions	521,128	(521,128)	-
	9,681,679	187,148	9,868,827
EXPENSES			
Program expenses	8,078,618	-	8,078,618
Administrative expenses	1,067,426	-	1,067,426
Fundraising expenses	259,358	-	259,358
	9,405,402	-	9,405,402
CHANGE IN NET ASSETS	276,277	187,148	463,425
NET ASSETS - Beginning of year	10,675,983	380,655	11,056,638
NET ASSETS - End of year	\$ 10,952,260	\$ 567,803	\$ 11,520,063

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 5,936	\$ 350,931	\$ 356,867
Grants			
Federal	1,082,072	-	1,082,072
State	33,424	-	33,424
Local Minimum Foundation Program	3,706,499	-	3,706,499
State Minimum Foundation Program	3,522,239	-	3,522,239
Other	8,417	-	8,417
Student activity fees	285,386	290,334	575,720
Interest income	1,406	-	1,406
Other revenues	125,648	-	125,648
Net assets released from restrictions	479,087	(479,087)	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	9,250,114	162,178	9,412,292
EXPENSES			
Program expenses	7,822,235	-	7,822,235
Administrative expenses	866,028	-	866,028
Fundraising expenses	155,366	-	155,366
	<hr/>	<hr/>	<hr/>
Total expenses	8,843,629	-	8,843,629
	<hr/>	<hr/>	<hr/>
CHANGE IN NET ASSETS	406,485	162,178	568,663
NET ASSETS - Beginning of year	10,269,498	218,477	10,487,975
	<hr/>	<hr/>	<hr/>
NET ASSETS - End of year	\$ 10,675,983	\$ 380,655	\$ 11,056,638
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Expenses				
Salaries	\$ 3,890,491	\$ 465,832	\$ 79,807	\$ 4,436,130
Student activities	670,138	-	-	670,138
Donation	-	-	111,059	111,059
Depreciation	-	37,455	-	37,455
Employee benefits	1,292,967	163,478	29,723	1,486,168
Equipment rental	-	17,889	-	17,889
Food services	25,083	2,787	-	27,870
Insurance	-	65,804	-	65,804
Miscellaneous	1,214	18,416	607	20,237
Other services	-	45,479	-	45,479
Professional services	159,165	159,166	-	318,331
Repairs and maintenance	261,493	10,769	-	272,262
Shared services	417,328	46,370	-	463,698
Supplies				
Instructional	168,437	14,972	3,743	187,152
Other	387,218	8,605	34,419	430,242
Transportation services	609,976	-	-	609,976
Travel	8,863	10,404	-	19,267
Utilities	186,245	-	-	186,245
	<u>\$ 8,078,618</u>	<u>\$ 1,067,426</u>	<u>\$ 259,358</u>	<u>\$ 9,405,402</u>

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	Program Expenses	Administrative Expenses	Fundraising Expenses	Total
Expenses				
Salaries	\$ 3,953,352	\$ 444,197	\$ 44,420	\$ 4,441,969
Student activities	579,411	-	-	579,411
Donation	-	-	69,631	69,631
Depreciation	-	49,322	-	49,322
Employee benefits	1,234,273	138,683	13,868	1,386,824
Equipment rental	-	16,610	-	16,610
Food services	23,787	2,643	-	26,430
Insurance	-	58,326	-	58,326
Miscellaneous	3,087	46,869	1,545	51,501
Other services	-	46,358	-	46,358
Professional services	290,508	15,290	-	305,798
Repairs and maintenance	204,611	10,769	-	215,380
Shared services	350,493	14,055	-	364,548
Supplies				
Instructional	197,167	17,526	4,382	219,075
Other	242,104	5,380	21,520	269,004
Transportation services	542,839	-	-	542,839
Travel	30,462	-	-	30,462
Utilities	170,141	-	-	170,141
	<u>\$ 7,822,235</u>	<u>\$ 866,028</u>	<u>\$ 155,366</u>	<u>\$ 8,843,629</u>

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 463,425	\$ 568,663
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	37,455	49,322
Changes in operating assets and liabilities:		
Restricted cash	(22,848)	3,551
Grants receivable	666,868	(69,454)
Miscellaneous receivables	(41,027)	105,298
Inventory	(718)	9,167
Prepaid expenses	(221,990)	35,357
Accounts payable and accrued expenses	48,386	199,758
	929,551	901,662
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(16,786)	(38,620)
Disposal of property and equipment	-	3,012
	(16,786)	(35,608)
NET INCREASE IN CASH AND CASH EQUIVALENTS	912,765	866,054
CASH AND CASH EQUIVALENTS - Beginning of year	9,521,183	8,655,129
CASH AND CASH EQUIVALENTS - End of year	\$ 10,433,948	\$ 9,521,183

See accompanying independent auditors' report and notes to financial statements.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Warren Easton Senior High School Foundation, Inc. d/b/a Warren Easton Charter High School (the School), incorporated on March 21, 2006, is an educational institution organized to improve student learning, increase learning opportunities for all students, encourage the use of innovative teaching methods and a variety of governance, management, and administrative structures, be more thoroughly accountable for educational results, and create new professional opportunities for teachers and other employees.

Financial Statement Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The School follows the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205, the School is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets – Net assets not subject to donor-imposed restrictions. A portion of net assets are designated amounts set aside by the board of directors.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that will be met by the actions of the School or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that are required to be maintained permanently by the School. Generally, the donors of these assets stipulate that the income earned on related investments should be used for specific purposes. For the years ended June 30, 2013 and 2012, there were no permanently restricted net assets.

In addition, the School is required to present a statement of cash flows.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash, which is held in interest bearing accounts, consisted of both unrestricted and restricted balances. Unrestricted cash balances represent cash available for general operating purposes. Restricted cash balances consist of amounts credited to the School's bank accounts from donations received from individuals or entities who stated specific use of the contribution.

The School classifies all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

Public Support and Revenue – The School’s primary source of funding is through the Minimum Foundation Program (MFP) funded by the State Public School Fund and the Orleans Parish School Board (OPSB or the School Board). The School receives \$4,189 from the State of Louisiana (the State) and \$4,196 from the School Board per eligible student in attendance at the official pupil count date of October 1 each year. MFP revenue accounts for 79% and 78% of the School’s total support for the years ended June 30, 2013 and 2012, respectively. State and federal grants are on a cost reimbursement basis and account for 8% and 12% of the School’s total support for the years ended June 30, 2013 and 2012, respectively.

Donated Equipment, Services and Materials – Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the years ended June 30, 2013 and 2012, there were no non-cash or donated services contributions that were required to be restricted.

As part of an operating agreement with the Orleans Parish School Board, Warren Easton is not required to pay a lease on the property which houses the School. The administration has elected not to record the benefit from this transaction on their books (See Note I).

Grants Receivable – The grants receivable are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All promises to give are recognized as assets and revenues. The School had no conditional promises to give as of June 30, 2013 and 2012.

Inventory – Inventory consisted of items that are sold at the School’s store, The Eagles’ Nest. Items sold at the store include sweaters, T-shirts, socks, school supplies, etc. Inventory on the financial statements is valued at cost.

Property and Equipment – Property and equipment obtained with non-public funds are the property of the School and are capitalized at cost. It is the School’s policy to capitalize expenditures for these items in excess of \$2,500. Assets donated are carried at fair market value on the date of donation, net of accumulated depreciation. Depreciation is provided utilizing the straight-line method over the estimated useful lives of 40 years for leasehold improvements and 3 years for equipment.

Compensated Absences – All employees accrue 10 days of leave each year. At the end of the year, unused days are rolled over to the Teachers’ Retirement System of Louisiana (TRSL). The School does not compensate employees for unused sick days.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

Contributions and Revenue Recognition – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is recognized as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Revenues from federal and state grants are recorded when the School has a right to reimbursement under the related grant, generally corresponding to the incurring of grant-related costs by the School, or when earned under the terms of the grants.

In-Kind Support – The School records the in-kind value of goods and services contributed to support various activities as support and related expenses. There was no in-kind support for the years ended June 30, 2013 and 2012.

Income Taxes – The School has received a tax-exempt ruling under section 501(c)(3) from the Internal Revenue Service and, accordingly, is not subject to federal income tax unless the School has unrelated trade or business income. Management believes there are no uncertain tax positions included in the financial statements.

Fundraising Expenses – All expenses associated with fundraising activities are expensed as incurred, including those expenses related to fundraising appeals in a subsequent year.

Functional Expenses – The costs of providing the various programs and other activities are summarized in the statements of functional expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimate of the costs involved.

NOTE B – RESTRICTION ON ASSETS

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of the School. These restrictions are considered to expire when payments for restricted purposes are made. None of the temporarily restricted net assets are time-restricted by donors.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

Temporarily restricted net assets at June 30, 2013 and 2012 were for the following purposes:

	2013	2012
Student activities funds	\$ 80,260	\$ 90,483
Wellness	28,105	4,395
Hall of Fame scholarships	171,356	220,793
Auditorium lighting	30,000	30,000
Academic enhancements	15,000	12,898
People's Choice Award	200,000	-
100 th Anniversary	30,414	-
Library books and other	12,668	22,086
Total temporarily restricted net assets	\$ 567,803	\$ 380,655

NOTE C – CONCENTRATION OF CREDIT RISK

The School maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Commission (FDIC) up to \$250,000 per institution at June 30, 2013 and 2012, respectively. At June 30, 2013 and 2012, cash deposits in excess of the FDIC insured limits were \$10,817,296 and \$9,591,917, respectively.

In order to reduce credit risk, cash deposits in excess of the FDIC insured limit, \$10,290,013 and \$9,369,497 of the total cash balances was maintained in the Federated Government Obligations Tax Managed Fund as of June 30, 2013 and 2012, respectively.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2013	2012
Leasehold improvements	\$ 652,348	\$ 638,913
Equipment	1,419,421	1,416,070
Total	2,071,769	2,054,983
Accumulated depreciation	(1,523,659)	(1,486,204)
Total property and equipment, net	\$ 548,110	\$ 568,779

Depreciation expense for the years ended June 30, 2013 and 2012 totaled \$37,455 and \$49,322, respectively.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE E – LINE OF CREDIT

The School maintains a \$1,750,000 unsecured line of credit with a local financial institution, which bears interest at the Lender's Prime Rate, and matures October 24, 2013. At June 30, 2013 and 2012, the School had no outstanding borrowings under the line of credit.

NOTE F – RETIREMENT PLAN

Substantially all employees of the School participate in the Teachers' Retirement System of Louisiana (TRSL). This system is a cost sharing, multiple-employer governmental defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. The plan provides retirement benefits as well as disability and survivor benefits to eligible participants. The TRSL issues publicly available financial reports that include financial statements and required supplementary information of the TRSL. That report may be obtained by writing the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123.

Participants vest immediately in employee contributions to the plan. Retirement benefits vest after five years of service if the employee reaches age sixty; otherwise, benefits vest after twenty years of service. Benefits are established and amended by state statute. Upon retirement, participants may select from eight retirement payment options.

Participants are required to contribute to the plan 8% of the annual covered payroll. For the years ended June 30, 2013 and 2012, the School is required to contribute 24.5% and 23.7%, respectively, each year of the annual covered payroll of each participating employee. These contribution levels are established by law and set by the Public Retirement Systems Actuarial Committee (the System). Starting July 1, 2013, the System rate was increased to 27.2%. For the years ended June 30, 2013 and 2012, the School contributions to the plan totaled \$1,028,478 and \$957,840, respectively, and are included in employee benefits on the statements of functional expenses.

NOTE G – GRANTS

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to help ensure that all children meet challenging state academic standards. The grant funds must be used to provide additional academic support and learning opportunities to help low-achieving children master challenging curriculum and meet state standards in core academic subjects. For the years ended June 30, 2013 and 2012, the School recognized revenue under this grant of \$643,343 and \$592,507, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to increase academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers, principals, and assistant principals. The grant funds must be used to assist schools in effectively recruiting and retaining highly qualified teachers and to make available professional development activities that address subject matter knowledge and other activities. For the years ended June 30, 2013 and 2012, the School recognized revenue under this grant of \$94,273 and \$97,667, respectively.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to help them ensure that children with disabilities, have access to a free appropriate public education to meet each child's unique needs and prepare each child for further education, employment, and independent living. For the years ended June 30, 2013 and 2012, the School recognized revenue under this grant of \$78,488 and \$68,607, respectively.

The State of Louisiana provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. This state funded per pupil allocation is based on the most recently approved minimum foundation program formula resolution. For the years ended June 30, 2013 and 2012, the School recognized revenue under this program of \$3,891,581 and \$3,522,239, respectively.

The Orleans Parish School Board provides funding which is determined on an annual basis based on the number of pupils enrolled in the School as of October 1st. Revenues are received by the Orleans Parish School Board from sales tax revenues, ad valorem taxes, and other sources. For the years ended June 30, 2013 and 2012, the School recognized revenue related to these sources of \$3,898,080 and \$3,706,499, respectively.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to improve education through such activities as replacing instructional materials and equipment; paying teacher incentives; constructing, modernizing, or renovating school buildings; beginning or expanding Advanced Placement, or other rigorous instructional curricula; starting or expanding charter schools, and supporting after-school or extended learning time activities. For the year ended June 30, 2013 the School recognized no revenue under this grant. For the year ended June 30, 2012, the School recognized revenue under this grant of \$269,796.

The United States Department of Education awarded a grant to Orleans Parish School Board, which was awarded to the School as a subrecipient, to help recruit, retain, and compensate educators who commit to work at least three years in an area in which a major disaster was declared as a result of Hurricane Katrina or Hurricane Rita. For the year ended June 30, 2013 the School recognized no revenue under this grant. For the year ended June 30, 2012, the School recognized revenue under this grant of \$53,812.

NOTE H – RELATED PARTY TRANSACTIONS

During years ended June 30, 2013 and 2012, the School had related party expenses totaling \$491,569 and \$400,631 with Orleans Parish School Board, the School's Local Educational Agency (LEA); shared services, which are the IT services provided by the LEA, account for \$145,000 and \$140,553 of the related party expenses, respectively. As of June 30, 2013, the School had a payable of \$145,000 due to the LEA related to the IT services provided by the LEA during the year. The Louisiana Legislature approved a 2% administrative fee to be paid by all charter schools to Orleans Parish School Board. For the years ended June 30, 2013 and 2012, the School paid \$155,796 and \$144,574 in administrative fees to Orleans Parish School Board. Beginning 2012, the LEA began charging the School for property and flood insurance costs through annual usage fees, as further described in Note I. For the years ended June 30, 2013 and 2012, the School paid annual usage fees to the OPSB of \$162,902 and \$79,421, respectively. The expenses for 2013 and 2012 of \$27,870 and \$26,430, respectively, are for the food services provided by the LEA for meals at the School. The School also paid the LEA \$9,653 for Talented Music & Theater

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

instruction for students for the year ended June 30, 2012. For the year ended June 30, 2013, the School no longer used the LEA for Music & Theater instruction for students. For the year ended June 30, 2012, the School had a receivable of \$119,082 due from the LEA, \$105,803 is associated with Edujobs and \$13,279 is associated with 21st Century expenses. For the year ended June 30, 2013 and 2012, the School had a payable of \$38,961 due to the LEA associated with an overpayment of Edujobs money.

NOTE I – SCHOOL OPERATION/LEASEHOLD INTEREST

On July 1, 2011, the School's operating agreement renewal with the Orleans Parish School Board (OPSB) went into effect. This allows the School to use the facilities and contents located at 3019 Canal Street, New Orleans, LA 70119, or any other locations that may be approved by the School and the Orleans Parish School Board. This agreement will expire on June 30, 2017. The agreement may be renewed at the option of the Orleans Parish School Board. For the years ended June 30, 2012 and 2011, the School paid annual usage fees to the OPSB of \$162,902 and \$79,421, respectively. The School Board can increase this fee prior to the next fiscal year based on the actual cost of flood and property insurance they are able to obtain.

The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations, and rules. If capital improvements are made by the School with non-public funds to any site which it operates, and the charter contract is revoked or terminated, the School will be reimbursed for the fair market value of such capital improvements. Assets purchased with public funds or obtained from public sources will automatically revert to the Orleans Parish School Board at the time the agreement is terminated. The School must maintain records of any assets acquired with private funds that will remain the property of the School.

The School also has the rights to use computers and kitchen equipment that are owned by Orleans Parish School Board for no fee.

Use of the property and equipment is not recorded as an in-kind contribution from the Orleans Parish School Board as the value of the use of the land and building is not readily determinable. The agreement is classified as an exchange transaction because both parties receive significant value from this arrangement. Accordingly, the present value of the benefit to be received in future years has not been recorded.

NOTE J – COMMITMENTS

The School has employment contracts with most of its employees. The contracts for the current year expired June 30, 2013. All contracts provide for a minimum annual salary and other benefits.

NOTE K – RISK MANAGEMENT

The School is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage for the years ended June 30, 2013 and 2012.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 25, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after that date have been evaluated for inclusion of these financial statements.

SUPPLEMENTAL INFORMATION

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Pass-through programs from:			
Louisiana Department of Education –			
Orleans Parish School Board			
Title I, Part A Cluster			
Title I - Grants to Local Educational Agencies - Part A - Basic	84.010A	28-09-T1-36	\$ 643,343
Total Title I, Part A Cluster			<u>643,343</u>
Special Education Cluster (IDEA)			
Special Education - Grants to States - IDEA Part B	84.027	28-09-B1-36	78,488
Total Special Education Cluster (IDEA)			<u>78,488</u>
Other Department of Education Programs			
Title II - Teacher & Principal Training & Recruitment Fund	84.367A	28-09-50-36	94,273
Total Other Department of Education Programs			<u>94,273</u>
Total expenditures of federal awards			<u><u>\$ 816,104</u></u>

Notes to Schedule of Expenditures of Federal Awards

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation – This schedule includes the federal grant activity of Warren Easton Senior High School Foundation Inc. (the School) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Accrued Reimbursement – Various reimbursement procedures are used for federal awards received by the School. Consequently, timing differences between expenditures and program reimbursements exist at the end of the year.

Note 2 – Reconciliation of Federal Grant Revenues to Expenditures of Federal Awards

Expenditures of federal awards during the year ended June 30, 2013	\$ 816,104
Disallowed expenditures identified in 2013	<u>(4,674)</u>
Total federal grants revenue	<u><u>\$ 811,430</u></u>

See independent auditors' report.

OTHER INDEPENDENT AUDITORS' REPORTS



Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Warren Easton High School Foundation, Inc. (the School) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated September 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Silva Gurtner & Aloney, LLC

New Orleans, Louisiana
September 25, 2013



Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OFFICE OF MANAGEMENT AND
BUDGET (OMB) CIRCULAR A-133**

To the Board of Directors of
Warren Easton High School Foundation, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Warren Easton High School Foundation, Inc.'s (the School) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2013. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Warren Easton High School Foundation, Inc. as of and for the year ended June 30, 2013, and have issued our report thereon dated September 25, 2013, which contained an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Silva Gurtner & Alney, LLC

New Orleans, Louisiana
September 25, 2013

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 Material weaknesses identified? _____ yes _____ X _____ no
 Significant deficiencies identified
 not considered to be material weaknesses? _____ yes _____ X _____ none reported
 Noncompliance material to financial statements noted? _____ yes _____ X _____ no

Federal Awards

Internal control over major programs:
 Material weaknesses identified? _____ yes _____ X _____ no
 Significant deficiencies identified
 not considered to be material weaknesses? _____ yes _____ X _____ none reported
 Type of auditors' report issued on compliance for major programs: Unmodified
 Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)? _____ yes _____ X _____ no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

84.010A

Title I - Grants to Local Educational Agencies - Part A - Basic

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000
 Auditee qualified as low-risk audit? _____ X _____ yes _____ _____ no

Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*

No findings and questioned costs for the year ended June 30, 2013.

Section III – Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)

No findings and questioned costs for the year ended June 30, 2013.

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Section II – Findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*

No prior year findings or questioned costs.

Section II – Findings and questioned costs for federal awards under OMB Circular A-133 §510(a)

No prior year findings or questioned costs.

**SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**



Certified Public Accountants & Consultants

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of
Warren Easton Senior High School Foundation, Inc.
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Warren Easton Senior High School Foundation, Inc. and the Legislative Auditor, State of Louisiana (the specified parties), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Warren Easton Senior High School Foundation, Inc. and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. Management of Warren Easton Senior High School Foundation is responsible for its performance and statistical data. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and applicable provisions of *Government Auditing Standards* published by the United States Comptroller General. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on Schedule 1:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue – not applicable,
 - Total Local Earnings on Investment in Real Property – not applicable,
 - Total State Revenue in Lieu of Taxes – not applicable,
 - Nonpublic Textbook Revenue – not applicable, and
 - Nonpublic Transportation Revenue – not applicable.

Findings: None noted

4330 Dumaine Street
New Orleans, LA 70119
(504) 833-2436 (O) • (504) 484-0807 (F)

200-B Greenleaves Blvd.
Mandeville, LA 70448
(985) 626-8299 (O) • (985) 626-9767 (F)

900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per Schedule 4 to the combined total number of full-time classroom teachers per Schedule 2 and to school supporting payroll records as of October 1, 2012.
3. We reconciled the combined total of principals and assistant principals per Schedule 4 to the combined total of principals and assistant principals per Schedule 2.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and agreed to the total reported on Schedule 2. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on Schedule 2.

Findings: None noted

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on Schedule 3. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: None noted

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2012 and as reported on Schedule 4 and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings: None noted

Public School Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on Schedule 5 and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on Schedule 5.

Findings: None noted

8. We recalculated the average salaries and full-time equivalents reported in Schedule 5.

Findings: None noted

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on Schedule 6 and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2012 roll books for those classes and determined if the class was properly classified on Schedule 6.

Findings: None noted

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in Schedule 7 by Warren Easton Senior High School Foundation, Inc.

Findings: Not applicable

The Graduation Exit Exam (GEE) (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in Schedule 8 by Warren Easton Senior High School Foundation, Inc.

Findings: Not applicable for the year ended June 30, 2013

The iLEAP Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in Schedule 9 by Warren Easton Senior High School Foundation, Inc.

Findings: Not applicable for the year ended June 30, 2013

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the performance and statistical data accompanying the annual financial statements of Warren Easton Senior High School Foundation, Inc. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Warren Easton Senior High School Foundation, Inc., the Board of Directors, the Louisiana Department of Education, the Legislative Auditor, and the Orleans Parish School Board, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Alney, LLC

New Orleans, Louisiana
September 25, 2013

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 1 – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 – Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 – Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 4 – Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 – Public School Staff Data

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

Schedule 7 – Louisiana Educational Assessment Program (LEAP)

Not applicable.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)
FOR THE YEAR ENDED JUNE 30, 2013

Schedule 8 – Graduation Exit Exam (GEE)

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 – The iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES
FOR THE YEAR ENDED JUNE 30, 2013
SCHEDULE 1**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	2,317,023	
Other Instructional Staff Activities			
Employee Benefits		876,832	
Purchased Professional and Technical Services		59,150	
Instructional Materials and Supplies		487,084	
Instructional Equipment		-	
Total Teacher and Student Interaction Activities			3,740,089

Other Instructional Activities			40,951
--------------------------------	--	--	--------

Pupil Support Services		410,461	
Less: Equipment for Pupil Support Services		-	
Net Pupil Support Services			410,461

Instructional Staff Services		463,744	
Less: Equipment for Instructional Staff Services		-	
Net Instructional Staff Services			463,744

School Administration		740,449	
Less: Equipment for School Administration		-	
Net School Administration			740,449

Total General Fund Instructional Expenditures			\$ 5,395,694
---	--	--	---------------------

Total General Fund Equipment Expenditures			\$ -
---	--	--	-------------

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF
AS OF OCTOBER 1, 2012
SCHEDULE 2

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	31	59.6%	1	100.0%				
Master's Degree	20	38.5%			2	66.7%		
Master's Degree + 30	1	1.9%			1	33.3%		
Specialist in Education								
Ph. D. or Ed. D.								
Total	52	100.0%	1	100.0%	3	100.0%		

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2013
SCHEDULE 3

Type	Number
Elementary	
Middle/Jr. High	
Secondary	1
Combination	
Total	1

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
EXPERIENCE OF PUBLIC PRINCIPALS , ASSISTANT PRINCIPALS, AND FULL-TIME CLASSROOM TEACHERS
AS OF OCTOBER 1, 2012
SCHEDULE 4

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals					1	1		2
Principals							1	1
Classroom Teachers	4	2	14	10	6	10	7	53
Total	4	2	14	10	7	11	8	56

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
PUBLIC SCHOOL STAFF DATA
FOR THE YEAR ENDED JUNE 30, 2013
SCHEDULE 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$49,897	\$49,846
Average Classroom Teachers' Salary Excluding Extra Compensation	\$49,513	\$49,488
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	54.7	51.7

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
CLASS SIZE CHARACTERISTICS
AS OF OCTOBER 1, 2012
SCHEDULE 6

	Class Size Range							
	1-20		21-26		27-33		34+	
School Type	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary								
Elementary Activity Classes								
Middle / Jr. High								
Middle / Jr. High Activity Classes								
High	29.2%	105	34.4%	124	18.3%	66	0.6%	2
High Activity Classes	1.4%	5	1.7%	6	2.2%	8	0.8%	3
Combination	3.9%	14	3.6%	13	1.7%	6	0.3%	1
Combination Activity Classes	1.4%	5					0.6%	2

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See independent accountants' report on applying agreed-upon procedures.

**WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)
FOR THE YEAR ENDED JUNE 30, 2013
SCHEDULE 7**

This schedule does not apply to Warren Easton High School as grade levels for the school are grades 9 through 12.

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATION, INC.
GRADUATION EXIT EXAM (GEE)
FOR THE YEAR ENDED JUNE 30, 2013
SCHEDULE 8

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2012*		2013*		2011		2012*		2013*	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	0	0.0%	N/A	N/A	N/A	N/A	12	5.4%	N/A	N/A	N/A	N/A
Mastery	21	9.5%	N/A	N/A	N/A	N/A	28	12.6%	N/A	N/A	N/A	N/A
Basic	133	59.9%	N/A	N/A	N/A	N/A	132	59.5%	N/A	N/A	N/A	N/A
Approaching Basic	61	27.5%	N/A	N/A	N/A	N/A	33	14.9%	N/A	N/A	N/A	N/A
Unsatisfactory	7	3.2%	N/A	N/A	N/A	N/A	17	7.7%	N/A	N/A	N/A	N/A
Total	222	100%	N/A	N/A	N/A	N/A	222	100%	N/A	N/A	N/A	N/A

District Achievement Level Results	Science						Social Studies					
	2011		2012		2013*		2011		2012		2013*	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	0	0.0%	3	1.4%	N/A	N/A	0	0.0%	0	0.0%	N/A	N/A
Mastery	12	5.9%	18	8.1%	N/A	N/A	5	2.3%	7	3.2%	N/A	N/A
Basic	102	50.2%	126	57.0%	N/A	N/A	127	65.1%	136	61.5%	N/A	N/A
Approaching Basic	66	32.5%	56	25.3%	N/A	N/A	52	22.5%	52	23.5%	N/A	N/A
Unsatisfactory	23	11.3%	18	8.2%	N/A	N/A	19	10.1%	26	11.8%	N/A	N/A
Total	203	100%	221	100%	N/A	N/A	203	100%	221	100%	N/A	N/A

* Effective for the year ended June 30, 2011, the GEE and iLEAP tests were replaced with the End-of-Course (EOC) tests.

See independent accountants' report on applying agreed-upon procedures.

WARREN EASTON SENIOR HIGH SCHOOL FOUNDATIONS, INC.
THE iLEAP TESTS
FOR THE YEAR ENDED JUNE 30, 2013
SCHEDULE 9

iLEAP Tests												
District Achievement Level Results	English Language Arts						Mathematics					
	2010		2011*		2012*		2010		2011*		2012*	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9												
Advanced	0	0.0%	N/A	N/A	N/A	N/A	6	1.3%	N/A	N/A	N/A	N/A
Mastery	10	5.3%	N/A	N/A	N/A	N/A	22	15.4%	N/A	N/A	N/A	N/A
Basic	144	61.7%	N/A	N/A	N/A	N/A	137	63.0%	N/A	N/A	N/A	N/A
Approaching Basic	53	26.4%	N/A	N/A	N/A	N/A	40	13.7%	N/A	N/A	N/A	N/A
Unsatisfactory	4	6.6%	N/A	N/A	N/A	N/A	6	6.6%	N/A	N/A	N/A	N/A
Total	211	100.0%	N/A	N/A	N/A	N/A	211	100.0%	N/A	N/A	N/A	N/A

* Effective for the year ended June 30, 2011, the GEE and iLEAP tests were replaced with the End-of-Course (EOC) tests.

See independent accountants' report on applying agreed-upon procedures.